

## Frequently Asked Questions (FAQ)

1. If a licensee has an outstanding loan from the pre-implementation period (loans with an agreement date on or after October 1, 2008 and prior to January 1, 2009 that are still outstanding), but does not have a copy of either a driver's license or a state identification (ID) card, is the licensee expected to load the transaction to the database?
  - A. Yes. The licensee should contact the borrower to obtain the borrower's identifying information and document its records.
2. Are pre-implementation transactions that are loaded to the database eligible for extended payment plans or extended term loans (ETL)?
  - A. No.
3. If a customer has been issued a supplemental document by the Virginia DMV acknowledging that the customer has moved, is the licensee required to use the zip code from the customer's driver's license (plastic card) or from the supplemental document?
  - A. Driver's license.
4. If a customer's driver's license number is also his social security number, is the licensee allowed to use it as part of the unique identifier to check the customer's eligibility?
  - A. Yes, but only the last four digits of the number will be entered into the database.
5. Can a licensee accept any photo ID cards other than a state driver's license or state issued ID card?
  - A. No.
6. What date should be used on the security check - - the agreement date of the loan or the due date of the loan?
  - A. The due date of the loan.
7. If a licensee makes an ETL to a borrower but does not enter the loan as an ETL in the database, can the database be corrected to reflect the ETL?
  - A. Yes. Contact Veritec Solutions, LLC for assistance.
8. Is a licensee required to deposit a customer's security check at any time?
  - A. No, but it cannot be deposited until the loan's due date (which should also be the date of the check).

9. Are licensees required to close transactions in the database if a customer pays the original terms of the contract (Principal / Advance Amount, Interest Amount, Loan Fee, and Verification Fee), but has remaining fees outstanding?
- A. The loan is to be closed in the database when the borrower has repaid or otherwise satisfied the loan in full according to the terms of the loan agreement.
10. When a return check notification has been received by a licensee, is the date the check was returned or the date the notification was received to be used when recording the Return Check Date in the database?
- A. Enter the date the check was returned by the borrower's depository institution.
11. If a bank charges less than \$25.00 for a returned security check, can a licensee collect the full \$25.00 from the borrower?
- A. No. A licensee may only recover the actual fee incurred (up to a maximum of \$25.00).
12. Can a licensee charge a borrower a return check fee if the licensee does not incur a return check fee?
- A. No. A licensee may only recover the actual fee incurred (up to a maximum of \$25.00).
13. What is the required APR calculation that licensees are expected to use?
- A. See Regulation Z, Appendix J.
14. If a customer pays off a transaction early, is the licensee required to discount the interest amount the customer must pay?
- A. Generally yes. See Virginia Regulation 10 VAC 5-200-40.
15. Are a licensee's collections practices impacted by the new legislation?
- A. Yes, see § 6.1-459, § 6.1-469, and the Commission's regulations.
16. Are licensees required to create an extended payment plan (EPP) term that is equal to four times the customer's pay cycle or is the requirement only that the term of the EPP be a minimum of 60 days?
- A. Under an EPP, a licensee shall permit the borrower to repay the amount owed in at least 4 equal installments over a term of at least 60 days. See Virginia Regulation 10 VAC 5-200-33.
17. If a customer has a pay cycle of 30 days, will they be eligible for an ETL?
- A. Yes, assuming the other prerequisites for an ETL are met.

18. If the customer enters into an EPP, is the licensee required to collect a new security check?
- A. No. Note that a customer may elect an EPP on the date the loan is made.
19. The legislation prohibits a licensee from making a loan to a borrower on the same day that a borrower paid or otherwise satisfied in full a previous payday loan. Is this a 24 hour waiting period or will the borrower be eligible for a new loan on the next calendar day?
- A. Next calendar day.
20. Are pre-implementation loans (loans with an agreement date on or after October 1, 2008 and prior to January 1, 2009 that are still outstanding) that have been loaded to the database included when determining ETL eligibility?
- A. No.
21. Are licensees required to print and save the Check Eligibility document if the customer is ineligible?
- A. Yes. See Virginia Regulation 10 VAC 5-200-110 (I).
22. Are there any new requirements or updates that must be made to a licensee's payday loan agreements?
- A. Yes, consult with your legal counsel for guidance.
23. Are licensees required to enter partial payments, EPP payments, or ETL payments into the database?
- A. No.